United Nations DP/2015/23

Executive Board of the United Nations Development Programme, the United Nations Population Fund and the United Nations Office for Project Services

Distr.: General
6 March 2015

Original: English

Annual session 2015
1 to 12 June 2015, New York
Item 13 of the provisional agenda
Reports of UNDP, UNFPA and UNOPS Ethics Offices

Activities of the UNDP Ethics Office in 2014

Report of the Ethics Office

Summary

Pursuant to decision 2008/37 of the Executive Board, the UNDP Ethics Office submits the present report covering its activities in 2014. In accordance with the Secretary-General's bulletin on United Nations system-wide application of ethics: separately administered organs and programmes (ST/SGB/2007/11), the Ethics Panel of the United Nations reviewed the report at its sixty-sixth session on 11 February 2015; the report was subsequently presented to the Administrator of UNDP. As required by the Executive Board, pursuant to its decision 2011/24, this report includes recommendations to management on strengthening the UNDP culture of ethics, integrity and compliance.

This is the seventh annual report presented by the Ethics Office since its establishment in 2007.

Elements of a decision

The Executive Board may wish to take note of the present report and comment on the progress made by the UNDP Ethics Office.

15-03542 (E) 300315

Please recycle

Contents

Chapter		*Page*
I.	Introduction	3
II.	Administrative activities	4
III.	Mandated activities	5
	A. Standard-setting and policy support	5
	B. Training, outreach and awareness-raising	5
	C. Confidential advice and guidance	9
	D. Financial disclosure programme, 2013 transaction year, filed in 2014	11
	E. Protection of staff against retaliation for reporting misconduct and/or for cooperating with duly authorized audits or investigations	14
IV.	The United Nations Ethics Committee and the Ethics Network of Multilateral Organizations	15
V.	Recommendations to management to strengthen the UNDP culture of integrity and compliance	16
VI.	Conclusion	17

Figures

1.	Requests for advice and other services, by category, 2014	4
2.	Ethics advice as a component of total services, 2013 vs. 2014	10
3.	Ethics advice breakdown, 2014	11
4.	Number of financial disclosure policy annual filers from 2006 to 2013	12
5.	Breakdown of financial disclosure policy filers by rank, 2013	13
6.	Breakdown of financial disclosure policy filers by function, 2013	13

I. Introduction

1. The present report is submitted pursuant to Executive Board decision 2008/37 and discusses the work of the Ethics Office for 2014, in accordance with its mandate to "cultivate and nurture a culture of ethics, integrity and accountability, and thereby enhance the trust in and credibility of the United Nations, both internally and externally", as highlighted in the Secretary-General's bulletin ST/SGB/2007/11, section 1.1.

2. The report summarizes the activities of the Office in each area of its mandate, and reflects its vision for programme enhancement and embedding ethics in business processes and decision-making, in connection with the shared value of 'operating with unwavering integrity'. This report highlights the progress of the Office in supporting ethical leadership, including through face-to-face briefings and personal engagement with leaders and managers, and through improved use of electronic and social media to promote an ethical work environment and foster an ethical culture in UNDP.

3. The UNDP Ethics Office operates on principles of independence, impartiality and confidentiality. It supports all UNDP staff, management and non-staff personnel in maintaining the highest standards of conduct, and reinforcing the UNDP values of integrity, transparency, accountability, mutual respect, professionalism and results orientation through principled performance. The Office encourages staff and managers to be role models of the ethical behaviours it wants to see in the workplace and to promote a work environment where individuals are comfortable speaking up and raising concerns without fear of retaliation.

4. 2014 continued the pattern from 2013, with the Ethics Office introducing new and novel approaches to raising ethical awareness across the organization. During the reporting period, the Ethics Office continued to serve individual clients and worked closely with the various business units in UNDP on policies, processes and practices within their respective areas of responsibility. These included policies associated with fraud, managerial practices, staff-conduct issues, gifts, and the organization's relationship with external parties. The Ethics Office viewed this collaboration as crucial to its work in emphasizing the practicality of ethics, and in supporting the business case for ethics. Such critical input in foundational policies helps strengthen ethics within UNDP, through individual and collective engagement of the entire organization and its internal systems.

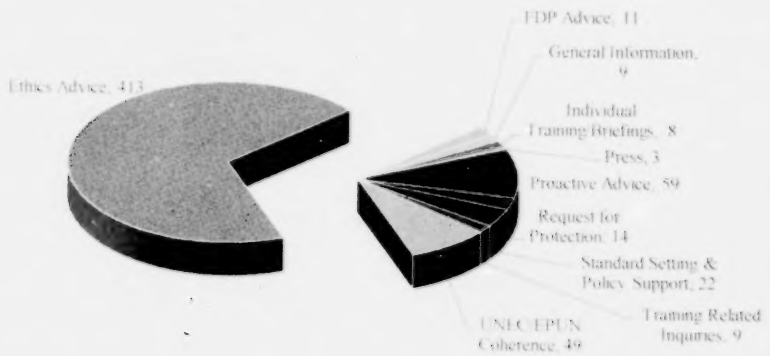
5. The report includes an analysis of the ethical climate in UNDP based on feedback from staff and leaders during personal consultations, in-person trainings and other meetings. This analysis, in part, forms the basis for recommendations made to management. The delay in the annual global staff survey for 2014 meant the analysis of those results was not available to the Office for inclusion in this report. The Global Management Meeting held early in 2014 resulted in significantly fewer regional cluster meetings, although the Office did use that occasion to interact and engage one-on-one with leaders.

6. In 2014, UNDP underwent a significant structural reorganization in line with the vision of the UNDP strategic plan, 2014-2017. Unfortunately, the reorganization necessarily resulted in a number of staff whose positions were eliminated, or who were/are slated to be relocated. As a result, this caused many affected international staff to contact the Ethics Office to seek confidential advice and guidance. On occasion, staff were simply seeking consolation, but others sought to determine whether their selection was done in a fair or equitable manner. Still others claimed their selection was retaliatory for one reason or another.

7. As in prior years, the Office undertook activities in all areas of its mandate, including: (a) standard-setting and policy support; (b) training, awareness-raising and outreach on ethics issues; (c) providing confidential advice and guidance to staff and management on ethics issues and ethics-related policies; (c) administering the financial disclosure programme; and (d) administering the protection against retaliation policy. The Office experienced a marked increase in requests for services in some areas, including requests for advice and guidance and for protection against retaliation. It also continued to collaborate with the Ethics Panel of the United Nations (EPUN) and the Ethics Network of Multilateral Organizations (ENMO) to harmonize ethics policies and practicies within the United Nations system.

8. The Ethics Office believes that the culture of an organization will drive how individuals behave, how decisions are made and how the organization is perceived by internal and external stakeholders. In fostering a positive and ethical culture, UNDP must not only establish and hold staff to the highest standards of behaviour; the organization itself must also demonstrate the same high standards in how it deals with its own personnel. One of the most critical roles for the Ethics Office is to support UNDP in fostering an ethical organizational culture by serving as a source of confidential advice and guidance to all, and to ensure the policies, practices and processes of the organization reflect and promote the required standards of integrity, impartiality, fairness and transparency. The promise of confidentiality is key to attracting staff and other personnel to seek advice and guidance; they must believe that they have a safe haven in which to discuss sensitive issues. Overall, in 2014 the Office dealt with 597 requests for services. Figure 1, below, displays the breakdown of requests for services received by the Office for the period.

Figure 1 – Requests for advice and other services by category, 2014



II. Administrative activities

9. Over the reporting period, the Office was staffed with a Director at the D1 level, an Ethics Adviser at the P5 level, an Administrative Assistant at the G6 level. A junior professional officer resigned mid-year. Despite having advertised for a junior professional officer since 2012, the Office has not received any expressions of interest. The budget for general operating expenses was maintained at $200,000, where it has remained constant for the past 5 to 6 years. 2015 will mark the first year

since the Office's inception that it will operate without a junior professional officer, effectively reducing its staffing by 25 per cent.

10. The small Ethics Office team remains highly engaged and motivated. While resources may remain a struggle, the team has proven innovative and creative in 'doing more with less' and in developing novel approaches to issues presented.

III. Mandated activities

11. During 2014, the Ethics Office was engaged in fulfilling its mandate in all of its functional areas of responsibility.

A. Standard-setting and policy support

Within UNDP

12.In 2014, the Ethics Office continued to provide input on proposed updates to policies across the organization, as requested by management or proactively based on experience or best practice. The Office sought to raise concerns regarding ethical practices or perceptions, allowing for these issues to be addressed prior to finalization. These initiatives all evidenced continued collaboration between the Ethics Office, UNDP bureaux and specific country offices. Specific policies and procedures addressed included:

(a) The proposed mid-level managers programme to allow certain Member States to sponsor their nationals for positions in a programme akin to the junior professional officer programme, but geared toward more senior roles in UNDP;

(b)Adoption and implemetation of improvements to the performance management and development system;

(c) The process for secondments and special leave without pay and how best to manage potential conflicts of interest that arise from the movement of staff and personnel to and from UNDP on secondments, nonreimbursable loans and similar arrangements;

(d) Review and provision of content to the Great People Managers site developed by the Office of Human Resources as part of the new manager training system;

(e) Review and update to the UNDP anti-fraud policy, and meeting with various governmental review agencies on how the policy is interpreted and implemented;

(f) Review of the UNDP supplier code of conduct and vendor sanctions process, including interpretation and application of the gifts policy; and

(g) Collaboration with the Office of Information Services and Technology on implementing email archiving and vetting cloud migration proposals and policies for security and data privacy concerns.

13. In accordance with decision 2010/17 of the Executive Board, the Ethics Office continued to vet recommended candidates for key oversight positions for potential conflicts of interest. The Office also briefed all new staff hired in Director level (or above) positions at headquarters, and met with other such individuals as they visited headquarters or while in the field.

B. Training, outreach and awareness-raising

14. Training and awareness-raising remain key elements of the work of the Ethics Office. Training aims to reinforce ethical behaviours and ethical decision-making by

emphasizing why acting with ethics and integrity is in the best interest of the organization and 'the right thing to do'. Particular focus is placed on managers and their duty to serve as role models for the behaviour expected in the workplace, and required of all international civil servants. Ethical leadership training reminds managers and supervisors that it is their duty to foster a harmonious work environment and hold individuals accountable to the required standards.

15. Managers are also expected to promote a work environment where staff members and other personnel are encouraged to speak up and raise concerns without fear of reprisal. Staff are reminded of their duty to report misconduct and cooperate with duly authorized audits and investigations and advised that they will be protected from any threatened retaliation for fulfilling such obligations.

Online course and related modules

16. The UNDP staff training programme includes a mandatory online ethics course which provides a basic introduction to ethics in the United Nations context, including the regulations, rules and standards of conduct at UNDP. In 2014, the Ethics Office, in close collaboration with the Office of Human Resources, developed a wholly new course that is much more user-friendly, relevant and engaging. Rather than focus simply on rules and regulations, the course was developed to be more practical in its application and enforces ethical concepts in a United Nations context – why the rules make sense and how they are applied. The course was developed to be more meaningful and relevant to all staff by introducing real-life scenarios; it encourages staff and managers to uphold the highest standards of behaviour and to speak up and report wrongdoing without fear of reprisal. The final course will be rolled out in early 2015 and will serve both as an introduction to newly recruited staff and as a mandatory refresher for current staff. During 2014, the Office also developed and completed online modules on protection against retaliation, the financial disclosure programme, and avoiding conflicts of interest, which are all scheduled for rollout in early 2015.

17. The Office also collaborated with UN-Volunteers to adapt and modify the UNDP course for their use, in line with their revised conditions of service. The Office considers that this knowledge sharing and capacity building across the organization serves to harmonize policies and procedures, and fosters a common understanding around ethics and values.

Face-to-face workshop and webinars

18. Where the Office also continued to have great success in 2014 was in the area of ethics workshops, briefings and ethical leadership sessions. While there were fewer in-person missions this past year (in part in an effort to save costs), the Office did make up for it by exploiting electronic media and presenting many live, online webcasts on myriad ethics topics. The Office staff provided these webcasts and briefings at all hours in order to be most accommodating to the target country offices. Such live, web-based trainings were provided for Algeria, Senegal, Sri Lanka and Tanzania, and often were accompanied by ethical leadership briefings for management; all were met with very positive reactions. The Office also conducted in-person missions and engaged the UNDP peer training network to hold in-person workshops and briefings, including in Serbia and South Sudan. Finally, while regional cluster meetings were not held in 2014, the Ethics Director attended the organization-wide general management meeting, and had an opportunity to engage with leaders from across the globe. This led to invitations to personally address deputy resident representatives and deputy country directors in the Regional Bureau for Latin America and the Caribbean in Panama, and ethics workshops still to be rescheduled in Guatemala, Jamaica, Mexico and Peru.

19. During 2014, approximately 803 staff members and other personnel participated in face-to-face ethics workshops, group briefings, panel discussions and live/web-based training sessions. Separate individual briefings were provided to eight (8) senior leaders at headquarters at the D1 level and above, as part of their induction to new appointments.

Senior management briefings

20. For the period, the Ethics Office continued to build on previous efforts to promote an ethical culture in UNDP, and has proven its value to senior leadership through regular proactive outreach, pragmatic advice and guidance. The Ethics Director continued to meet regularly with many members of regional bureaux leadership, and most other members of the Organizational Performance Group. The Office has also maintained a very close, cordial and collaborative relationship with the Office of Audit and Investigations, the Legal Support Office, the Office of Human Resources, the Office of the Ombudsman and the Staff Council.

21. While the Office emphasizes that senior leadership must be role models of ethics and integrity (establishing the standard of behaviour expected of all staff serving the organization), it is also focusing on the next level down – that of middle management, who often oversee day-to-day operations – that is crucial to the success of efforts to embed ethics into the fabric of the organization.

22. The Office is regularly engaged to address senior staff meetings, and to join in training efforts for new Executive Board members, new resident coordinators/resident representatives, new country directors, and their respective deputies, operations managers, and new junior professional officers, among other groups. The Office is often invited to personally address leadership teams at headquarters and has been sought out by many members of country, regional and senior headquarters leadership for confidential advice and guidance. These efforts signify the degree to which the Office is viewed as an integral business partner.

Awareness-raising and communication activities

23. The Office continued its aggressive awareness campaign to promote and grow the ethical culture in UNDP. Creative messaging via email and social media encourage staff to 'do what is right, even if no one is watching'. The Office focused on training in ethical leadership, encouraging managers to establish a speak-up culture in their respective units, supporting staff members to raise concerns without fear of retaliation. The Office emphasizes that ethical culture promotes staff engagement, trust and integrity, which in turn raises organizational performance and reputation.

24. The awareness campaign via social media has grown; the Director now employs Twitter as another means of raising awareness on ethics issues, which is also available to an external audience. This augments the regular blogging on the Ethics Office intranet portal, and the continuing series of ethical leadership pieces (disseminated via the rr.net email network to all management in UNDP). The rr.net series, more than anything else, has led to much positive acclaim from recipients who appreciate the conversational tone and practical advice. The Office impresses upon leadership how to view ethics from a more pragmatic standpoint, and focuses on how best to engage staff and other personnel to build ethical culture. The Office offers more real world application of ethics in order to help managers gain the trust and appreciation of their workforce, and to better relate and foster a harmonious work environment, which can lead to better, more sustainable results for the organization. This series has also led to several requests for the Office to personally address country and business unit teams.

25. The Ethics Office continued to update and improve its intranet and Teamworks websites to provide substantial support to staff and managers through easy access to informational material and policy documents (for example, financial disclosure programme, protection against retaliation policy), as well as guidance messages on nurturing and supporting ethical culture in UNDP. Content includes guidance posts on the prevention and mitigation of conflicts of interest, requirements of the financial disclosure programme, and the nature and scope of whistleblower protection. The content is kept current and is augmented by new resources, updated policies, articles, white papers and videos. The Ethics Office website was viewed over 11,000 times over the year and continues to serve as a valued resource for staff and management. A French language landing page was launched in 2014 and a Spanish section will be introduced soon. The Office also introduced a new research/white paper section to the website. 'Operating with Unwavering Integrity' continues to be the tagline of the Ethics Office and, as planned, the Office created an Ethics 'brand' image so that ethics messages and publications are easily recognizable by all, and serve as a reminder to keep ethics top of mind.

26. Our intranet, email and blog messages have been cross-posted on many regional and business unit sites (in an effort to reach as many staff as possible) and have been picked up by others for publication on the UNDP Speakers Bureau site and in the UNDP *Anti-Corruption for Development Newsletter*. These and similar messages (for example, holiday guidance around gifts and social behaviour, building and sustaining an ethical culture in the organization, how different generations view ethics) were also developed and shared with internal staff and partners, and several were adopted and used externally through Ethics Panel of the United Nations and the Ethics Network of Multilateral Organizations. Such regular messaging to staff focuses on the business value of ethics, building and reinforcing ethical culture, whistleblower protection, ethical leadership, role-model behaviours and ethical decision-making. The aim is to encourage individuals to keep ethics foremost in their minds in all that they do, and to view ethics as a critical component of operations in UNDP rather than as an afterthought.

27. During the year, the Office planned to review and update the UNDP ethics guide "Putting Ethics to Work" to serve as the *de facto* code of ethics for UNDP. However, upon reconsideration, the Director opted to dispense with the outdated document, and assume the larger challenge of crafting the first actual UNDP code of ethics – "Operating with Unwavering Integrity" – which was completed in late 2014. The new code will be submitted to the UNDP Organizational Performance Group in early 2015 for adoption. The Office also completed a review and redrafting of its four informational brochures on avoiding conflicts of interest, protection against retaliation, the financial disclosure programme, as well as an overview of the Ethics Office. The new code (and the revised brochures) now reflect best practice in the ethics field in the private sector: user-friendly, visually appealing, online and interactive. Breaking from the United Nations tradition of printed, published documents and reports that can soon become out-of-date, the code contains online enhancements that allow the user to access the latest policies, trainings, videos and more directly from the document; the code and brochures are also available to 'print-on-demand', thereby saving the organization expensive pre-printing and shipping costs, while allowing for a much better user experience.

28. In 2014, the Office developed and distributed (at in-person workshops as well as other events) small promotional items containing ethics slogans and contact information. Items included UNDP 'Ethics Champion' lapel pins, USB cards, wallet cards and note pads. These items were very well-received and continue to remind

leadership and staff to infuse ethical thinking and decision-making in everyday activities and keep ethics 'top of mind'. These items have all served to vastly increase exposure for the Office, resulting in increased call volume.

29. Annually, UNDP administers a global staff survey to all staff and personnel. The survey questions include a number of questions that are submitted or reviewed by the Ethics Office to gauge staff perceptions of ethics and integrity within the organization. Based on prior year's results, the Ethics Office substantially edited and added ethics-related questions to the 2014 global staff survey to induce more root cause analysis.

Other awareness and briefings

30. In 2014, the Director briefed a delegation of the Viet Nam Communist Party Inspectorate on ethics efforts underway at UNDP, specifically focusing on whistleblower protection, anti-corruption, financial disclosure and conflict of interest programmes. The Office also briefed a delegation from the United Kingdom Department for International Development on whistleblower protection, anti-fraud and anti-corruption.

31. The Director remains an active member of the UNDP Speakers Bureau and is a resource for public speaking opportunities on ethics and anti-corruption. He took part in the United Nations Talk Radio Day and participated in several live radio interviews about the ethics effort, including whistleblower protection at UNDP. The Director also appeared as a spokesperson in a Bureau for External Relations and Advocacy campaign series focusing attention on ending gender violence.

C. Confidential advice and guidance

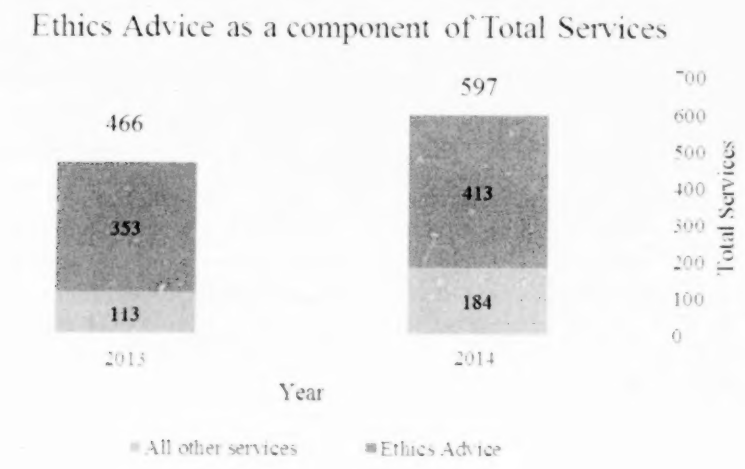
32. UNDP culture drives behavior, decision-making and, utimately, how it is perceived by personnel, suppliers, donors, Member States and the public it serves. It is therefore imperative that UNDP demonstrate a positive, *ethical* culture, and hold itself and its staff to the highest standards of integrity. This includes demonstrating the same high standards in how it deals with its own personnel. The Ethics Office supports UNDP efforts to sustain an ethical culture by serving as a source of confidential, pragmatic advice and guidance to staff and management alike. Fair and equitable development, interpretation and application of the policies, practices and processes of the organization reinforce the required standards of integrity, impartiality, fairness and transparency.

33. The provision of confidential advice and guidance on ethics-related matters is a therefore perhaps the key function of the Office. Through direct contact with staff and other personnel, the Office seeks to influence individual behaviour, and impress upon clients how individual behaviour impacts organizational culture and image. By availing themselves of this resource, staff, leaders, contractors and others are able to obtain guidance on how best to deal with sensitive and difficult situations, obtain critical feedback on the appropriateness of certain actions and behaviours, redress perceived retaliation, and ensure that activities inside and outside of UNDP do not undermine the integrity, independence and impartiality required of international civil servants. Staff and others are thus better able to manage conflicts of interest and take on and resolve ethical dilemmas. Access to the confidential services of the Office provides staff with a safe haven within which to raise concerns, and serves to alert the Office to situations that may require swift, decisive action in order to mitigate any harm to the individual or the organization.

34. Building off the trust the Office previously established, and presumably based in part on increased awareness efforts, 2014 saw significant growth in the number of UNDP staff,

contractors and management who sought advice and guidance from the Ethics Office. Figure 2 shows that in 2013 the Office fielded 466 requests for service, of which 353 were for ethics advice and guidance. In 2014 those numbers climbed to 597 and 413 respectively, a 28 per cent increase in total requests for services, and a 17 per cent increase in ethics advice.

Figure 2 – Ethics advice as a component of total services, 2013 vs. 2014

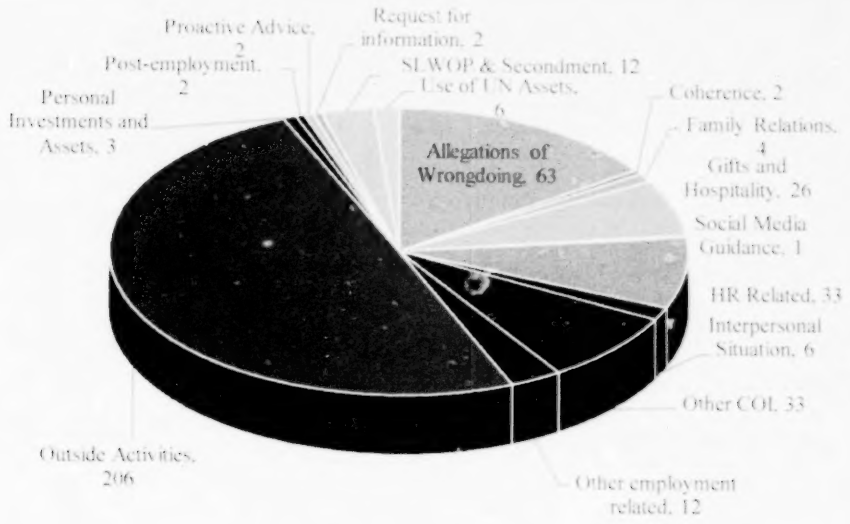


35. Reinforcing the Office's independence and loyalty only to the best interests of the organization, its provision of advice is viewed as impartial, realistic and pragmatic. The UNDP structural reorganization led to a greater than usual number of requests for confidential meetings by those affected, for whom the Office served as a sounding board and resource; similarly, when management sought to implement the reorganization, several management-level staff contacted the Office seeking guidance on how best to deal with the impact of difficult decisions. Staff regularly approach the Office for advice and guidance, often because of the extensive outreach and awareness pieces issued throughout the year. The Office's counsel is often provided proactively, before actions are taken, in order to mitigate the probability of ethical issues arising. The Office continued to cultivate and nurture these relationships and is now regularly requested to take part in projects drawing on its business expertise and experience as well as its ethics knowledge. The value the Office brings to the conversation through its common sense approach and risk awareness has engendered confidence in its abilities.

36. The Office spent a considerable amount of time providing counselling and addressing staff and management concerns regarding accountability standards, and how UNDP, as an organization, handles staff-related issues, especially those affected by change processes within the organization. A recurring area of concern expressed by staff is the perception that senior managers are not always held accountable for their conduct in the same way and to the same extent as other staff.

37. Over the year, the Ethics Office received 597 requests for services, of which 413 were for ethics advice. As shown in figure 3, the main area of concern for staff members and other personnel seeking ethics advice in 2014 pertained to outside activities (206), representing 50 per cent of the total; this percentage is essentially unchanged from 2013.

Figure 3 – Ethics advice breakdown, 2014



D. Financial disclosure programme, 2013 transaction year, filed in 2014

38. The Office administers the financial disclosure programme (FDP), implements annual and periodic filing exercises, reviews disclosed information, verifies information provided and provides advice and guidance to mitigate any conflicts of interest detected or disclosed. The Office developed a training module in 2013 to guide focal points and heads of business units in identifying and registering filers and in submitting statements; in 2014 this training module was converted to an online, on-demand tool to be rolled out in 2015 in advance of the annual filing exercise.

39. The financial disclosure programme is designed to assist the organization in detecting actual and potential conflicts of interest between a staff member's private interests and his or her official obligations. Its primary purposes are to: (a) assure that the independence and impartiality of UNDP staff are preserved in official decision-making; and (b) promote transparency and public confidence in UNDP. Staff regulations require all staff at the D-1 level and above, and other designated staff members, upon appointment and annually thereafter, to file a financial disclosure statement concerning themselves, their spouse and dependent children. When requested, filers are required to assist in verifying the accuracy of the information submitted.

40. In 2014, the Office introduced filing for UNDP service contractors on a pilot basis, as a means of identifying and mitigating risks that may arise through the roles and responsibilities of these individuals on a case by case basis. This requirement for non-staff personnel to file an FDP statement arises from the regulations governing such contracts (ST/SGB/2002/9) and is incorportaed into their contracts.

41. In 2014, the Ethics Office implemented its eighth annual financial disclosure exercise, regarding the 2013 transaction year. The exercise started on 1 March with the disclosure of the financial interests and outside activities of 1,405 selected filers, their spouses and dependent children (up from 1,383 in 2013). The Office is proud to have achieved 100 per cent compliance; there were very few tardy filers, and none

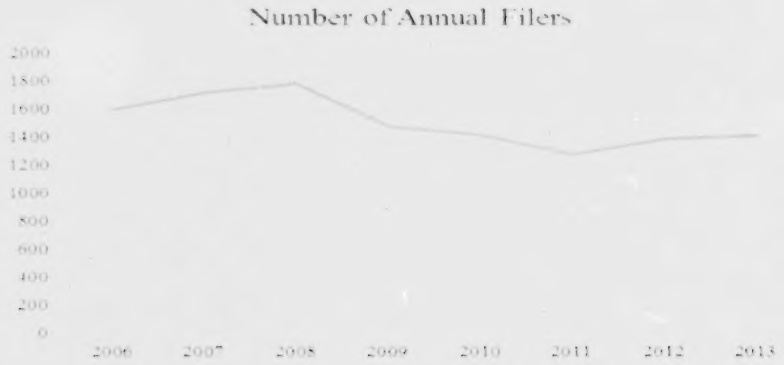
more than two months late. An exemption was granted to a small number of staff members on leave or who had separated from UNDP before the conclusion of the exercise.

42. The Office conducted real-time reviews of disclosures made contemporaneously with the filing exercise, which in turn: (a) greatly enhanced efficient communication with filers; (b) enabled the Office to request additional information or clarification; and (c) provided immediate guidance on ways to mitigate potential conflicts of interest.

43. The Office also provided support to some members of the Ethics Panel of the United Nations in an effort to enhance their own financial disclosure programmes.

44. Figure 4 below shows the evolution in the number of FDP filers from its inception in 2006. After a peak year in 2008, the number of filers decreased and stabilized around 1,400 filers per year following a revision by the Ethics Office of the methodology for identifying individuals who need to file. This continuity is a positive indication of the robust selection of FDP filers.

Figure 4 - Number of financial disclosure policy annual filers from 2006 to 2013



45. Figures 5 and 6 below show the percentage of FDP filers by rank and function for the most recent filing exercise. As in the past, middle management and procurement comprise the largest percentage at 33 per cent of the total population respectively.

Figure 5 - Breakdown of financial disclosure policy filers by rank, 2013

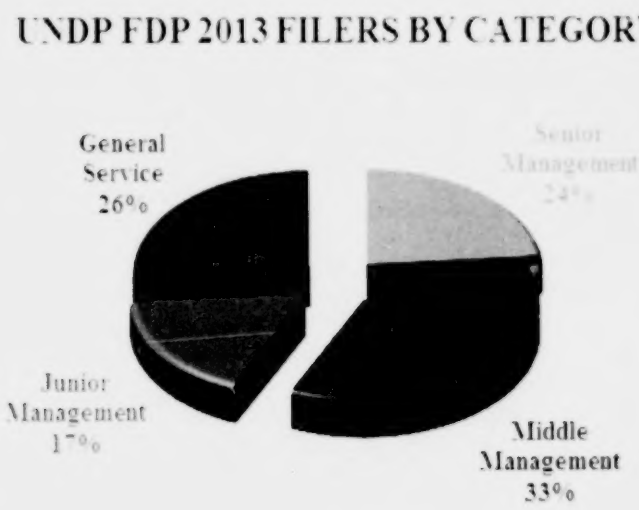
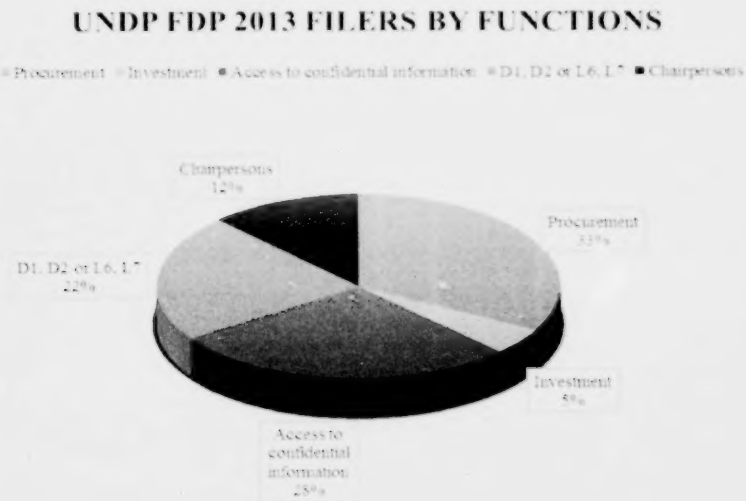


Figure 6 - Breakdown of financial disclosure filers by function, 2013



Review of data and provision of advice

46. As in previous exercises, the Office's review of FDP statements followed a three step approach. First, individual statements were vetted to ensure internal consistency of information. Where information was incomplete or unclear, the filer was contacted to provide additional information or clarification. The second step compared the disclosures against a restricted list of UNDP vendors and investment funds. Finally, the third step entailed an examination of outside interests and activities of the filer (and family members)

against relevant prohibitions or restrictions contained in the United Nations staff regulations and rules. These comparisons were undertaken, bearing in mind the staff member's respective functions and duty station. The purpose was to identify conflicts of interest and, where conflicts were detected, to offer remedial or proactive advice.

47. Since 2012, the online reporting system allows for those statements with no transactions (~20 per cent of the total) to be automatically cleared. The Office reviewed the statements received daily (rather than after the close of the filing exercise) and, when necessary, provided advice to mitigate or avoid conflicts of interest. At the end of the review, the Office sent clearance messages to 99 per cent of the filers.

48. Because it is critical that the organization manages and remediates risks arising from potential conflicts of interest as soon as they are detected, the Office reviewed statements as they were submitted, allowing for immediate feedback to filers. The Office provided advice to a total of nine (9) filers in cases where a potential conflict of interest was detected. In fifty (50) cases, proactive advice and guidance was provided to manage or mitigate a potential conflict of interest so that an actual conflict of interest could be avoided.

Verification of FDP statements

49. As in previous years, the Ethics Office randomly selected a small number of FDP filers for verification by using a stratified sample representative of the total population's location, grade and gender.

50. Among participants, the submission of third party documents was not always initially complete; thus the Ethics Office had to follow up and request clarification or further documentation from the filers who had not met expected standards. Ultimately, all required documentation was received. The verification exercise thus demonstrates its importance in assessing the extent to which FDP filers understood the purpose of the FDP disclosure programme.

Mid-year induction programme

51. The mid-year induction programme was launched in June 2014 to 22 filers, which covered the 12-month period immediately preceding their effective date of appointment, promotion or change of function. One conflict of interest was detected and mitigated.

Secretary-General's voluntary public disclosure initiative

52. The United Nations Ethics Office administers the Secretary-General's voluntary public disclosure initiative for senior officials at the assistant secretary-general level and above. The UNDP Administrator, Associate Administrator and several members of UNDP senior management team took part in the exercise.

E. Protection of staff against retaliation for reporting misconduct and/or for cooperating with duly authorized audits or investigations

53. In accordance with the Secretary-General's bulletin on United Nations System-Wide Application of Ethics: Separately Administered Organs and Programmes (ST/SGB/2007/11), the Ethics Office administers the UNDP policy for protection against retaliation. The policy is a both a whistleblower protection programme and a risk management mechanism to encourage individuals to report misconduct and/or cooperate with duly authorized audits and investigations, without fear of reprisal. This serves the organization well by permitting UNDP to effectively address such risks and situations immediately and hopefully before they become more serious problems. It is critical that staff and others feel confident that they will suffer no harm for fulfilling their obligations to report suspected wrongdoing, or work with audits and investigations. Since 2013, the policy extends protection beyond staff to contractors,

UN-Volunteers staff serving in UNDP, and interns. It encourages all covered individuals to raise concerns and report allegations of misconduct, and cooperate, to the fullest extent, with authorized audits and investigations without fear of retaliation.

54. For the reporting period, there was a marked increase in the number of contacts made with the Office under the policy: fourteen (14) such cases were received, which is a 350 per cent increase over the four (4) received in 2013.

55. Of these fourteen (14) cases, eight (8) actually complained of retaliation, warranting preliminary assessment, after which a prima facie case of retaliation was established in two (2); both were referred to the Office of Audit and Investigations for a determination whether there was sufficient evidence to prove retaliation was threatened or committed. One of these cases is still under investigation. In the other, the investigation found evidence to support the complaint of retaliation and the Ethics Office independently determined that retaliation had been established. Recommendations were made to, and implemented by, the head of the business unit involved to safeguard that the complainant did not continue to suffer the effects of the retaliation. The case was also referred to the Legal Support Office for a determination whether disciplinary action should be instituted against the staff member who committed the retaliation.

56. In five (5) of the remaining six (6) complaints of retaliation, the Office advised complainants that their complaints did not meet the threshold for application of the policy and no prima facie case of retaliation was established; in the last case, a potential threat of retaliation had been overtaken by circumstances and the threat was averted.

57. The outcome sought by the remaining six (6) cases varied from seeking provision of detailed advice in suspected cases of retaliation, to ensuring the Office was aware of their situation in the event they decided later to file a formal complaint, to making inquiries through an association on behalf of an individual who wished to remain anonymous. In each case, detailed advice and guidance about the policy was provided and the Office maintained an 'open-door policy' towards those individuals in order to receive periodic updates.

58. In 2013, the Office received a referral of three related cases alleging potential retaliation from another office. Though the alleged victims declined to file formal requests for protection, the Office monitored those cases in 2014 and was notified when the matters had been resolved.

IV. The United Nations Ethics Committee and the Ethics Network of Multilateral Organizations

59. The Office continued its active participation on the Ethics Panel of the United Nations (comprised of the heads of ethics offices in the United Nations funds, programmes and specialized agencies and chaired by the Director of the United Nations Ethics Office), and has significantly contributed to the dialogue on policy harmonization and system-wide coherence. Over the year, the Office has led discussions with Ethics Panel of the United Nations generally and has engaged directly with individual ethics colleagues to build their capacity in areas such as the financial disclosure programme and advising on conflicts of interest. Members of the Ethics Panel regularly seek the Director's counsel, calling on his years of business experience and ethics knowledge.

60. The Office also participated in the annual meeting of the Ethics Network of Multilateral Organizations, comprised of the ethics officers of United Nations organizations and affiliated agencies. Once again, the Director was requested to chair a panel discussion on 'Ethics Office Collaboration with Other Stakeholders', including both

utilization of peer trainers as well as the effectiveness of working relationships between the Ethics Office and the offices of human resources; legal; audit, oversight, and investigations; and the ombudsman. The Office also contributed to general discussions on harmonizing ethics best practices across the United Nations system.

V. Recommendations to management to strengthen the UNDP culture of integrity and compliance

61. In its decision 2011/24, the Executive Board called upon the Ethics Office to make recommendations to management on how to strengthen the UNDP culture of ethics, integrity and accountability. UNDP management is therefore requested to consider the following recommendations:

(a) *Revisit the legal and/or accountability framework, the investigation guidelines, and the policy on workplace harassment and abuse of authority, specifically with reference to discrimination, harassment and abuse of authority.* [This is a modified carryover recommendation from 2013 as the issue continues to arise with staff seeking assistance from the Office.] UNDP staff have confidentially raised concerns to the Ethics Office that allegations of certain types of misconduct (specifically, harassment, discrimination and abuse of authority) may not always be considered and treated by UNDP, as an organization, with the same level of attention and seriousness as financial-based allegations (corruption, fraud) and, consequently, such allegations may go unresolved. Further, there appears to be a disconnect between internal stakeholders on the standard of evidence and burden of proof required in order to support imposition of discipline in cases of discrimination, harassment and/or abuse of authority. This may result in a failure to adequately and visibly punish wrongdoers. If such allegations are not fully addressed, the culture of ethics and integrity in which staff are encouraged to raise concerns without fear of reprisal will be undermined.

Recommendation 1. *It is recommended that management revisit the legal and/or accountability framework, the investigation guidelines, and the policy on workplace harassment and abuse of authority for addressing and proving allegations that involve harassment, discrimination and/or abuse of authority, and ensure that such matters are adequately addressed. It is also recommended that the Anti-Fraud Hotline be renamed to "Hotline", to demonstrate it is not limited to reporting fraud concerns.*

(b) *Formally resolve guidance for secondments, special leave without pay and loaned personnel arrangements.* [This is a carryover recommendation from 2013 as the issue continues to arise with staff seeking assistance from the Office] In 2012, the Ethics Office revived a dialogue with the Office of Human Resources, the Legal Support Office, and the Procurement Support Office to achieve consensus on how best to control the various arrangements existing in UNDP for retaining staff and other personnel through secondments, non-reimbursable loans and special leave without pay. These discussions continued in 2013 and 2014 with no resolution. The Ethics Office worked with pertinent parties on a case-by-case basis to mitigate conflicts of interest that arose. Clear and consistent rules and guidance concerning these arrangements will protect against conflicts of interest and will result in fewer requests for ad hoc advice and guidance and fewer opportunities for inconsistent treatment.

Recommendation 2. *It is recommended that management agree on and implement the form and content of arrangements to manage the movement of staff and individuals to UNDP from external entities, and to agree on the criteria to determine when each form is most appropriate, in order to help avoid conflicts of interest.*

(c) *Ensure Ethics Office is included in pertinent meetings and discussions to remain relevant to the organization.* In 2014 the Ethics Office experienced several seemingly

unrelated events that could lead to an inference that Ethics may not be viewed as critical to the organization:

(i) The first was a decision to limit participation of the independent oversight offices in Organizational Performance Group meetings to once per quarter where issues concerning risk, accountability, human resources and policy matters are ostensibly scheduled for discussion. This can be acceptable so long as such matters do not arise in other meetings where the Ethics Office is absent, but should be permitted to weigh in. The Office had used these meetings as opportunities to engage with UNDP senior leadership to: (a) provide confidential ethical advice and guidance; (b) support ethical decision-making at the highest levels of the organization; (c) keep abreast of all major UNDP initiatives and policies; and (d) offer value, as needed, in areas where the Director may have expertise that transcends 'ethics' in the traditional sense.

(ii) The second was a decision by the Audit Advisory Committee not to meet with the Ethics Office for a review of the Office's proposed annual workplan; the Office was consequently not invited to participate in the committee's closing meeting with the Administrator and senior team. In prior years, the Ethics Office met with the committee twice per year: in December to review and advise on the Ethics Office annual plan, and in April for a general update prior to the annual session of the Executive Board. Although this may not be within the committee's mandate, the Office believes that continued visible support from and interaction with the committee is helpful and lends credibility to the Office's efforts.

(iii) The third was a lack of regularly scheduled briefings between the Ethics Office and the Associate Administrator and/or Administrator during the year, though that appears to have been rectified.

Recommendation 3. *It is recommended that management maintain or restore visible inclusion and embracing of the Ethics Office across the organization.*

VI. Conclusion

62. The Ethics Office is committed to its call for all at UNDP to "*operate with unwavering integrity*". The ethics climate in an organization is in large part influenced by the standards adopted by the senior-most leaders through their own behaviour, and their willingness to hold others accountable to those standards. Supervisors and managers at both the senior and middle levels of the organization must continue to see the practical value of ethics, ethical behaviour and ethical business decision-making. They must embrace ethics as a basic and necessary part of all UNDP activities; ethics needs to become a seamless part of how UNDP operates. As more managers adopt an open-door policy, staff will feel comfortable raising concerns without fear of retribution. This will serve to better protect UNDP and the public its serves by elevating potentially harmful matters for resolution before damage is done. Trust leads to a freer exchange of ideas and concerns, and can serve as a means of redressing potential problems before they take form. The Office points out that: "the standard you walk past is the standard you accept".

63. An ambitious strategic plan requires fully engaged staff, performing ethically at optimal levels. A positive work environment and organizational culture of integrity, transparency and accountability will go far in determining staff engagement.